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APPROPRIATION LANGUAGE

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed [~~\$45,000~~]~~\$20,000~~ for official reception and representation expenses, not more than [~~\$10,800,500,000~~]~~\$11,678,000,000~~ may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That not less than \$2,300,000 shall be for the Social Security Advisory Board: *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year [~~2010~~]~~2011~~ not needed for fiscal year [~~2010~~]~~2011~~ shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

From funds provided under the first paragraph, not less than [~~\$273,000,000~~]~~\$283,000,000~~ shall be available for the cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act.

In addition to the amounts made available above, and subject to the same terms and conditions, [~~\$485,000,000~~]~~\$513,000,000~~, for additional continuing disability reviews and redeterminations of eligibility, of which[, upon a determination by the Office of the Chief Actuary that such initiative would be at least as cost-effective as redeterminations of eligibility,] up to [~~\$34,000,000~~]~~\$10,000,000~~ shall be available [for one or more initiatives to improve] *to complete implementation of asset verification initiatives: Provided, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal years 1996 through 2002.*

In addition, [~~\$160,000,000~~]~~\$185,000,000~~ to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [~~2010~~]~~2011~~ exceed [~~\$160,000,000~~]~~\$185,000,000~~, the amounts shall be available in fiscal year [~~2011~~]~~2012~~ only to the extent provided in advance in appropriations Acts.

In addition, up to [~~\$1,000,000~~]~~\$500,000~~ to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2010.*)

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration (SSA) with the funds needed to administer the Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs, and to support the Centers for Medicare and Medicaid Services in administering their programs. The LAE account is funded by the OASI, DI, and Medicare trust funds for their share of administrative expenses, by the General Fund of the Treasury for the SSI program's share of administrative expenses, and through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for the administrative expenses of the agency.

In addition to the base request, SSA is requesting \$513,000,000 in cap adjustment funding specifically for program integrity workloads including continuing disability reviews (CDRs) and SSI non-medical redeterminations (redeterminations). The request also allows SSA to spend up to \$10,000,000 to complete implementation of the Access to Financial Institutions initiative. This process will help us identify individuals who have financial accounts exceeding the SSI resource limits.

In addition to the appropriated amounts, SSA is requesting to spend up to \$185,000,000 in SSI State Supplement user fees and up to \$500,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	Explanation
<i>"Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2010]2011 not needed for fiscal year [2010]2011 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure."</i>	Allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.
<i>"From funds provided under the first paragraph, not less than [\$273,000,000]\$283,000,000 shall be available for the cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act."</i>	Of the \$11,678,000,000 appropriated for the LAE account, \$283,000,000 shall be available for conducting DI and SSI CDRs and SSI redeterminations of eligibility.

Appropriation Language Analysis continued on the next page

Language Provision	Explanation
<p>“In addition to the amounts made available above, and subject to the same terms and conditions, [\$485,000,000]\$513,000,000, for additional continuing disability reviews and redeterminations of eligibility, of which[, upon a determination by the Office of the Chief Actuary that such initiative would be at least as cost effective as redeterminations of eligibility,] up to [\$34,000,000]\$10,000,000 shall be available [for one or more initiatives to improve] to complete implementation of asset verification <i>initiatives</i>: <i>Provided</i>, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal years 1996 through 2002.”</p>	<p>In addition to the \$11,678,000,000 appropriated, \$513,000,000 is appropriated for additional CDRs and redeterminations. Up to \$10,000,000 of this amount may be used to complete asset verification initiatives. At the end of the fiscal year, the Commissioner must submit to Congress a report on the use of these additional funds.</p>
<p>“In addition, [\$160,000,000]\$185,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2010]2011 exceed [\$160,000,000]\$185,000,000, the amounts shall be available in fiscal year [2011]2012 only to the extent provided in advance in appropriations Acts.”</p>	<p>Makes available up to \$185,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$10.45 per check in FY 2010 to \$10.62 in FY 2011, according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.</p>
<p>“In addition, up to [\$1,000,000]\$500,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended.”</p>	<p>Provides for the use of up to \$500,000 derived from fees charged to non-attorneys who represent claimants. In the past 5 years, the amount of fees collected has ranged from a high of \$242,000 in FY 2005 to a low of \$155,000 in FY 2008. These fees were authorized as part of a 5-year demonstration project, which will end in FY 2010. Note: Authorization for this program expires in March 2010 and has not been reauthorized to date.</p>

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds the operating expenses of the Social Security Administration and its programs: the OASI and DI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA will provide service to millions of Americans in our field offices, via telephone, or through the Internet at www.socialsecurity.gov. The LAE account provides the funds SSA needs to perform its core responsibilities, including completing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

SSA currently employs approximately 65,000 dedicated public service employees in over 1,400 offices nationwide. Combined with almost 17,000 state employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering agency programs, realizing that the work they do can affect the lives of all Americans.

FY 2011 PRESIDENT'S BUDGET

SSA's Programs

For FY 2011, SSA is requesting LAE budget resources of almost \$12.4 billion. This request will fund our day-to-day operational responsibilities and will allow us to make key investments in addressing our increasing disability and retirement workloads, in program integrity, and in our IT infrastructure.¹

As the baby boomers continue to enter our retirement rolls at increasing rates, it is essential that we have the resources to not only pay for inflationary increases in our daily operating expenses, but also to continue to make progress in dealing with this great influx of work. We expect to complete approximately 4.6 million applications for retirement benefits in FY 2011. We will administer \$594 billion in OASI benefit payments to 44.2 million beneficiaries.

The Disability Insurance program is also experiencing ongoing growth. This budget will fund the staff at the 54 State DDSs who will complete about 3.3 million initial disability claims in FY 2011. It will also allow SSA to continue implementing the Hearings Backlog Reduction Plan and the initial disability claims reduction strategy and make critical changes to the disability process to improve timeliness, quality, and efficiency. These changes will align SSA's disability policy with modern medical technology and knowledge while reducing the number of hearings

¹ The capital asset plans and business case summaries (Exhibit 300s) for each major SSA IT investment are located at www.socialsecurity.gov/exhibit300/.

pending to 657,000 cases by the end of FY 2011. SSA will distribute approximately \$130 billion in disability insurance benefits to 10.4 million beneficiaries.

The Supplemental Security Income (SSI) program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources. SSA estimates it will pay \$53 billion in Federal benefits to an estimated 7.8 million SSI recipients in FY 2011. Including State supplementary payments, SSA expects to pay a total of \$57 billion and administer payments to approximately 8.1 million recipients.

SSA assists the Centers for Medicare and Medicaid Services in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and work related to the Prescription Drug programs. In FY 2009, Congress also appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding shall be available until expended. SSA also collaborates with the Department of Homeland Security in administering the E-Verify program through verifying the employment eligibility of newly-hired employees by electronically checking employee names, Social Security numbers, dates of birth, U.S. citizenship status, and resolving discrepancies with the employee when we are unable to electronically verify that information.

Program Integrity

The budget includes a special funding mechanism that will provide \$513 million for SSA's program integrity activities, in addition to the \$283 million already included in the base request, for a total of \$796 million. These activities protect taxpayers' trust in our programs by reviewing factors that could affect eligibility for benefits or the payment amount. The two most cost-effective efforts are CDRs and SSI redeterminations. CDRs are periodic reevaluations of medical eligibility factors for DI and SSI disability recipients and are estimated to yield \$10 in lifetime program savings for every \$1 spent. Redeterminations are also a proven investment, by ensuring that SSI recipients are receiving the correct benefit amount based on non-medical factors of eligibility. In FY 2011 we estimate that redeterminations will provide a return on investment of better than \$8 in program savings over 10 years for each \$1 spent, including savings accruing to Medicaid. SSA plans to complete 360,000 medical CDRs and 2.4 million SSI redeterminations in FY 2011. In addition, up to \$10 million may be used to complete implementation of the Access to Financial Institutions project, which automates verification of SSI recipients' assets held in banks. In total, SSA estimates this program integrity funding in FY 2011 will result in over \$7 billion in savings over 10 years, including Medicare and Medicaid savings.

IT Infrastructure

Our extensive IT infrastructure underlies our ability to meet our service commitments to the American public. This network is an integral part of every step of our service delivery, from the initial claims taking process to the issuance of Social Security benefit checks. We are working to harness IT innovations to make our service delivery more convenient and faster for our

Limitation on Administrative Expenses

customers with improvements in online services, introduction of additional automated services on our 800-number, and self-help terminals in our field offices.

IT plays a critical role in our day-to-day operations. Our computers maintain demographic, wage, and benefit information on almost every American. We complete an average of over 75 million business transactions per day. Currently, our IT infrastructure supports the payment of more than \$700 billion in benefits to 56 million people and supports the maintenance of hundreds of millions of SSNs and related earnings records for nearly every American, as well as medical records of millions of Americans who have filed disability claims with us. Without our continued investment to maintain this infrastructure, all of the data we house as well as our daily operations would be threatened by service shutdowns and potential data breaches.

As individuals accept and use the Internet to conduct more complex and sensitive transactions, secure online service options are essential to providing a quality service experience. SSA is investing in IT to provide improved, customer-focused technology that allows the American public access to a stable, easy-to-use, convenient, and secure suite of services 24 hours a day, 7 days a week.

Investments in New IT Projects

Ready Retirement (RR) focuses on public education, simplified enrollment, and streamlined adjudication. We continue to enhance our *Ready Retirement* initiative, which will continue to streamline the claims application process. This initiative is also expanding the *iClaim* application, a tool that enables individuals to file electronically for retirement, spouses, and disability benefits from the comfort and convenience of their homes or offices. On average, individuals are able to complete the application in as little as 15 minutes – far shorter than the 45 minutes it often took to complete the former online application. Much of this reduction stems from simplifying and streamlining our policies and procedures. For example, *iClaim* only asks questions pertinent to an applicant's personal situation based on information in our files (e.g., age, earnings, citizenship, and military service). In February 2010, we will implement another major release of *iClaim*. This release will enable users to file an abbreviated Internet application for Medicare only benefits. Since the full retirement age is now higher than age 65 for those born after 1942, many people are interested in filing for Medicare only while delaying their actual retirement benefits. All of our work in this area helps us with program simplification by making it easier for people to apply for benefits.

Disability Direct will automate the completion of online disability claims. It will improve the online disability claim and appeals process by streamlining the collection of information, which will improve our labor-intensive disability workload. This streamlined process will provide more time for employees to handle other workloads. It will also fulfill the public's expectation of convenient, effective, and secure electronic service delivery options.

Health Information Technology (HIT) will enable us to take advantage of the progress that the medical community is making in automating their services. HIT will provide us with complete and accurate medical records more quickly, improving the speed and quality of our disability decisions. In FY 2010, the Personal Health Records (PHR) Planning & Analysis effort will

continue to leverage access to PHRs as part of the claims intake process. The Recovery Act funding will expand and enhance our HIT initiatives.

FUNDING REQUEST

The President's FY 2011 request will allow SSA to build on the progress we plan to make in FY 2010. The table below lists dollars and workyears linked to this budget:

Table 3.2—Budgetary Request¹

	FY 2010	FY 2011
Budget Authority (in millions)		
Limitation on Administrative Expenses (LAE)	\$11,447	\$12,379 ²
Research and Demonstrations	\$49	\$43
Office of the Inspector General (OIG)	\$103	\$106
Total Budget Authority	\$11,598	\$12,528
OTHER FUNDING (in millions) ³		
MIPPA – Low-Income Subsidy (LIS)	\$18	\$0
Recovery Act (ARRA) - Workload Processing	\$353	\$0
Recovery Act - Recovery Payment Admin	\$5	\$0
Recovery Act – New National Support Center (NSC)	\$10	\$30
Recovery Act – OIG Oversight	\$0.5	\$0.5
Other Funding, Total	\$387	\$31
Total Budgetary Resources	\$11,985	\$12,558
Workyears		
Full-Time Equivalents	66,857	67,603
Overtime	2,850	2,514
Lump Sum	292	292
Total SSA	69,999	70,409
Disability Determination Services (DDS)	15,985	16,969
Total SSA/DDS	85,984	87,378
OIG	596	596
Total SSA/DDS/OIG	86,580	87,974

¹ Totals may not add due to rounding.

² Includes \$1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

³ Represents anticipated obligations.

PERFORMANCE TARGETS

The President's FY 2011 request will allow SSA to build on the progress we plan to make in FY 2010. The table below lists key performance targets linked to this budget:

Table 3.3—Key Performance Targets

	FY 2010	FY 2011
<u>Selected Workload Measures</u>		
Retirement and Survivors Claims Completed (thousands) ^{1, 2}	4,718	4,590
Initial Disability Claims Completed (thousands) ¹	3,081	3,317
SSA Hearings Completed (thousands) ¹	725	799
Periodic CDRs Completed (thousands)	954	1,388
Periodic Medical CDRs (included above, thousands)	329	360
SSI Non-Disability Redeterminations Completed (thousands)	2,422	2,422
800-Number Transactions Handled (millions)	64	66
800-Number Average Speed of Answer	269	264
800-Number Agent Busy Rate	8%	7%
Social Security Cards Issued (millions)	18	19
Annual Earnings Items Completed (millions)	238	245
Social Security Statements Issued (millions)	153	154
<u>Selected Outcome Measures</u>		
Initial Disability Claims Pending (thousands) ¹	1,041	999
SSA Hearings Pending (thousands) ¹	707	657
Average Processing Time for Initial Disability Claims (days) ³	132	141
Average Processing Time for Hearing Decisions (days)	485	460
Disability Determination Services Production per Workyear	268	275
Office of Disability Adjudication and Review Production per Workyear	108	108
Other Work/Service in Support of the Public—Annual Growth of Backlog (workyears)	(2,200)	(3,100)

¹ The FY 2010 measures will be achieved through the combination of our annual LAE appropriation and with funds from the American Recovery and Reinvestment Act.

² We plan to complete all retirement claims that we receive in FY 2011.

³ Disability decisions that receive a technical (non-medical) denial are not included.

RECENT ACCOMPLISHMENTS

In FY 2009, SSA's resources were primarily used to complete workloads, including:

- Paying benefits to over 56 million people;
- Making decisions on 661,000 hearings;
- Issuing 17 million Social Security cards;
- Completing 262 million earnings items for crediting to workers' earnings records;
- Handling 67 million transactions through SSA's 800-number;
- Issuing 151 million Social Security Statements;
- Completing 317,000 medical CDRs;
- Completing 1.7 million non-disability SSI redeterminations to ensure that recipients continue to meet SSI eligibility; and
- Administering components of the Medicare programs, including subsidy applications, calculating and withholding premiums, making eligibility determinations, and taking applications for replacement Medicare cards.

Over the past 5 years, SSA's efforts to innovate and automate, coupled with the dedication of our staff, have improved productivity by an average of over 3 percent per year. SSA has continued to maintain its high expectations for productivity improvement and looks forward to improvements in FY 2011. The agency believes that, given the array of services SSA provides and the major workload processing initiatives implemented each year, incremental productivity improvements are sustainable with full funding.

SAVE Award

In 2009, President Obama launched the SAVE Award, which offered every Federal employee a chance to submit ideas for how the Government could save money and perform better. From the tens of thousands of submissions received, the President selected a suggestion from an SSA employee, Christine Dickson from our Birmingham Hearing Office, as one of the four finalists. We are making preparations to begin implementing this suggestion in FY 2011, which will benefit the public by providing the opportunity for certain individuals to schedule appointments for service online. This new process should help us guide the public into the correct service channels, and could lead to improved service in many parts of the agency.

HIGH-PRIORITY PERFORMANCE GOALS

Our country faces extraordinary challenges, and we must transform our Government to operate more effectively and more efficiently. In support of the President's Government-wide initiative to build a high-performance Government capable of addressing the challenges of the 21st century, we have identified high-priority performance goals as part of the FY 2011 budget and performance plan that will be a particular focus over the next 2 years. These goals are a subset of those used to regularly monitor and report performance in our Annual Performance Plan (APP) and Performance and Accountability Report. Our high priority performance goals are:

- **Increase the Number of Online Applications:** By 2012, achieve an online filing rate of 50 percent for retirement applications.

Limitation on Administrative Expenses

- **Issue More Decisions for People Who File for Disability:** SSA will work towards achieving the agency's long-term outcomes of lowering the disability backlogs and accurately completing claims. We will complete 3.317 million initial disability claims and 799,000 hearing requests. Additionally, we aim to fast-track 6.5 percent of initial disability cases.
- **Improve SSA's Customers' Service Experience on the Telephone, in Field Offices, and Online:** To alleviate field office workloads and to provide a variety of services the public expects, SSA will improve telephone service on the National 800-Number and in the field offices.
- **Ensure Effective Stewardship of Social Security Programs by Increasing Program Integrity Efforts:** SSA will improve program integrity efforts by minimizing improper payments and strengthening the agency's efforts to protect program dollars from waste, fraud, and abuse.

Within each goal, we have specific measures for FY 2011 to monitor our progress. For a more thorough discussion on SSA's high-priority performance goals, refer to the APP tab of this document.

AMERICAN RECOVERY AND REINVESTMENT ACT

In FY 2009, Congress recognized that SSA was receiving substantially increased numbers of new claims and other work as a result of the economic downturn, and that we also needed to replace our aging national data center. To help us process this additional work, Congress provided the agency with over \$1 billion in additional resources in the American Recovery and Reinvestment Act (ARRA). SSA is spending our ARRA funds effectively, and these funds are making a real difference in the service we can offer to the American people.

SSA received \$500 million, available through FY 2010, to help address our increasing disability and retirement workloads. This funding allowed us to invest in the front-line operational areas of the agency, so that we can process our additional recession-related work. The funding also supports information technology acquisitions for the additional workload processing funded from the Recovery Act and will allow us to invest in Health Information Technology Initiatives.

SSA also received a critical \$500 million, available until expended, to build our new National Support Center (NSC). The NSC will house critical computer operations that are necessary to the prompt and accurate payment of benefits to many Americans and will store data necessary to provide service to all Americans.

In addition, as part of the American Recovery and Reinvestment Act (ARRA), Social Security beneficiaries and SSI recipients received a one-time economic recovery payment of \$250. SSA received \$90 million, available until expended, to cover the administrative cost associated with issuing payments and sending notices to all eligible beneficiaries.

The Social Security Administration has made excellent and timely progress in meeting the goals outlined in our ARRA program plans. We completed the targeted number of claims, despite the growth in our workloads; met our ARRA hiring goals; issued the economic recovery payments

ahead of schedule; and are moving ahead to complete the new NSC. Below is a summary of each plan's measures and status:

Table 3.4—ARRA Program Plan Measures and Status

Program Plan	Measure	Status
Disability and Retirement Workload Plan	<ol style="list-style-type: none"> 1. Number of Initial Disability Claims Completed FY 2009 Target: 50,000 FY 2010 Target: 183,000 2. Number of Retirement Claims Completed FY 2009 Target: 243,000 FY 2010 Target: 869,000 3. Number of Hearings Completed FY 2009 Target: 37,000 FY 2010 Target: 64,500 4. Number of Staff Hired FY 2009 Target: 2,115 SSA and 300 State Disability Determination Service employees hired 	<p>FY 2009 – 53,095</p> <p>FY 2009 – 317,395</p> <p>FY 2009 – 28,507¹</p> <p>Hiring target met in FY 2009</p>
One-Time Economic Recovery Payment (ERP) Plan – Administrative Expenses	<ol style="list-style-type: none"> 1. By April 6, 2009, create initial list of eligible Economic Recovery Payment recipients based on Social Security and SSI eligibility in November 2008, December 2008, or January 2009. 2. By April 30, 2009, mail notices discussing the Economic Recovery Payments to the individuals receiving Social Security or SSI benefits who have been identified to date as being eligible to receive the payment. 3. Number of initial eligible recipients certified to the Department of the Treasury by May 14, 2009 for the May 2009 Economic Recovery Payments. 4. Number of additional eligible recipients certified to the Department of Treasury for the Economic Recovery Payments through December 2010. 	<p>Met timely (4/4/09)</p> <p>Met timely (4/24/09)</p> <p>52,021,985</p> <p>NA</p>
National Support Center Plan	<p>Schedule:</p> <ul style="list-style-type: none"> • FY 2010, 2nd quarter (March 2010) Planning, developing site criteria, conducting research and studies, and ultimately purchasing land required for the construction of the National Support Center including the development of a program of requirements (scope of work), a detailed project plan and timeline. • FY 2011, 1st quarter (October 2010) Expect solicitation for a design/build contract. • FY 2011, 2nd quarter (March 2011) Expect contract award for the design and construction. The contract will be awarded by the General Services Administration. • FY 2014, 1st quarter (October 2013) <ol style="list-style-type: none"> 1. Construction On Schedule 2. Construction On Budget 3. Design On Schedule 4. Energy Energy performance can be measured and tracked for compliance with energy requirements. 	<p>NA</p> <p>NA</p> <p>On Schedule</p> <p>NA</p>

¹ We exceeded our overall hearings completed goal by 13,000, but more of the hearings were funded by our regular appropriation rather than by the Recovery Act funds in FY 2009.

SSA-RELATED LEGISLATION ENACTED OCTOBER 2008 – JANUARY 2010

FY 2010

Defense Appropriations Act, 2010 (P.L. 111-118, enacted on December 19, 2009)

- This act eliminates the 8-month time limit on SSI eligibility for certain Iraqi and Afghan refugees who have provided service to the United States. This provision became effective upon enactment. The time-limited eligibility period for these individuals is now the current 7-year window (up to 9 years through September 30, 2011) applicable to other refugees.
- This act requires the poverty level for 2010, as calculated by the Department of Health and Human Services, to not be published before March 1, 2010. The 2009 poverty level remains in effect until the March 1 publication date. SSA uses the Federal Poverty Level in Medicare Low Income Subsidy determinations.

Consolidated Appropriations Act, 2010 (P.L. 111-117, enacted on December 16, 2009)

- This act provides SSA's LAE account an annual appropriation of \$11,446,500,000.
- This law prohibits any appropriated funds from being used to process any claim for credit for a quarter of coverage based on work performed under a social security account number that is not the claimant's number and the performance of such work under such number formed the basis for a conviction for fraud against the Social Security program.

No Social Security Benefits for Prisoners Act of 2009 (P.L. 111-115, enacted on December 15, 2009)

- This act amends titles II and XVI of the Social Security Act to prohibit retroactive payments to individuals during periods for which such individuals are prisoners, fugitive felons, or probation or parole violators.
- SSA will not pay these retroactive benefits until the beneficiary is no longer a prisoner, probation or parole violator, or fugitive felon.

National Defense Authorization Act for Fiscal Year 2010 (P.L. 111-84, enacted on October 28, 2009)

- The legislation contains several provisions related to Federal employee benefits.
- It allows the head of a Federal agency to waive the dual compensation rules for Civil Service Retirement System (CSRS) and the Federal Employee's Retirement System (FERS) annuitants who are re-employed in order to fulfill functions critical to the mission of the agency or any component of the agency. The waiver cannot be applied to annuitants working more than 520 hours in a six month period, 1,040 hours in a 12-month period, or for more than a total of 3,120 hours. Limits apply to the total number of individuals hired under the waiver. The waiver authority terminates 5 years after enactment. The Office of Personnel Management will promulgate regulations for the administration of this provision.
- It allows the head of a Federal agency to waive the annual limitations on premium and aggregate pay for Federal civilian employees working overseas.

- The act extends to Federal employees retired under the CSRS the opportunity to work for the Department of Defense and collect an unreduced CSRS pension.
- It extends to Federal employees who separated before March 1, 1991, eligibility to receive an actuarially reduced annuity under CSRS. (Previous limit on eligibility was October 1, 1990.)
- It provides Federal employees covered under the FERS with credit for unused sick leave for pension computation purposes. The credit is phased-in, with FERS awards before December 31, 2013, receiving 50 percent of unused sick leave. After 2013, 100 percent of sick leave will be credited.
- It allows Federal employees under FERS to redeposit withdrawn contributions, with interest, into their retirement account. The return of these withdrawals allows the additional service (upon which the withdrawal was based) to be included in the calculation of pensions.
- It provides Federal employees with retirement credit for service performed in the District of Columbia to be used in the calculation of FERS or CSRS pensions, as applicable.

Department of Homeland Security Appropriations Act, 2010 (P.L. 111-83, enacted on October 28, 2009)

- This act renames the Department of Homeland Security's Basic Pilot program as E-Verify, and extends program, for which SSA provides support, until September 30, 2012.

FY 2009

WIPA and PABSS Reauthorization Act of 2009 (P.L. 111-63, enacted on September 18, 2009)

- This legislation extends, through fiscal year 2010, funding authorization for the Work Incentives Planning and Assistance program and the Protection and Advocacy for Beneficiaries of Social Security program.

Edward M. Kennedy Serve America Act (P.L. 111-13, enacted on April 21, 2009)

- This act reauthorizes and reforms the national service laws.
- Among other provisions, this law requires the Corporation for National and Community Service (CNCS) to study the feasibility of using data matching to verify statements of citizenship, nationality, or status as a permanent resident. CNCS would have to determine whether it could use the Department of Education's data match against our records and those of the Department of Homeland Security or whether they could establish a comparable system.

Omnibus Appropriations Act, 2009 (P.L. 111-8, enacted on March 11, 2009)

- This provides SSA's LAE account an annual appropriation of \$10,453,500,000.
- This law extends until September 30, 2009, E-Verify, a Department of Homeland Security program for which SSA provides support.
- This law prohibits any appropriated funds from being used to process any claim for credit for a quarter of coverage based on work performed under a social security account number that is not the claimant's number and the performance of such work under such number formed the basis for a conviction for fraud against the Social Security program.

Limitation on Administrative Expenses

American Recovery and Reinvestment Act of 2009 (P.L. 111-5, enacted on February 17, 2009)

- This law directed the Department of the Treasury to provide a one-time recovery payment of \$250 to most individuals eligible for Social Security, SSI, Veterans Disability, or Railroad Retirement. In May 2009, SSA certified more than 50 million such payments to Treasury for current Social Security and SSI recipients.
- The legislation appropriated \$90 million to remain available until expended to SSA's LAE account for costs incurred in carrying out the provision.
- The Act also provided \$500 million to SSA for expenses related to the replacement of the National Computer Center and \$500 million for processing of disability and retirement workloads and IT acquisitions in support of workload processing.
- The Act made available up to \$40 million of the workload funding for health information technology research and activities to facilitate the adoption of electronic medical records.
- SSA is providing reports on the implementation of this Act; the reports can be found at: <http://www.ssa.gov/recovery/>.

Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 (P.L. 111-3, enacted on February 4, 2009)

- This law provides states the option to verify an individual's declaration of citizenship or nationality for purposes of Medicaid and/or CHIP eligibility through an electronic comparison of the information provided by the individual with information in SSA records, effective January 1, 2010.
- The law appropriated \$5 million to SSA to remain available until expended to carry out SSA's responsibilities under this provision.

ANNUAL PERFORMANCE PLAN (APP)

SSA's budget is fully integrated with its APP, which is included as the final tab in this *Justification of Estimates for Appropriations Committees*. The budget estimates are linked to key performance measures, included earlier in this General Statement, and support all of the more detailed measures outlined in the APP.

BUDGETARY RESOURCES

The LAE account represents SSA's administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the LAE account in FY 2011 is \$12.379 billion.

AMOUNTS AVAILABLE FOR OBLIGATION

Table 3.5—Amounts Available for Obligation¹
(dollars in thousands)

	FY 2009 ² Actual	FY 2010 Enacted	FY 2011 Estimate
LAE Appropriation ³	\$ 10,453,500 ⁴	\$ 11,446,500 ⁵	\$ 12,378,863 ⁶
Recovery Act ⁷ :			
Workload Processing	\$ 175,000	\$ 325,000	\$ 0
Economic Recovery Payment - Admin	\$ 60,000	\$ 0	\$ 42,125
New NSC	\$ 20,000	\$ 0	\$ 30,000
MIPPA - LIS ⁸	\$ 24,800	\$ 0	\$ 0
Total Amounts Available	\$ 10,733,300	\$ 11,771,500	\$ 12,450,988
Unobligated Balance, start-of-year⁹	\$ 242,625	\$ 299,909	\$ 210,000
LAE Carryover	\$ 242,625	\$ 213,285	\$ 205,000
Recovery Act:			
Workload Processing	\$ 0	\$ 27,888	\$ 0
Economic Recovery Payment - Admin	\$ 0	\$ 22,125	\$ 5,000
New NSC	\$ 0	\$ 18,670	\$ 0
MIPPA - LIS	\$ 0	\$ 17,942	\$ 0
Unobligated Balance, Reapportioned to Future Years	\$ 0	(\$ 20,794)	\$ 0
Recovery Act:			
Economic Recovery Payment - Admin	\$ 0	(\$ 12,125)	\$ 0
New NSC	\$ 0	(\$ 8,670)	\$ 0
Recoveries and Transfers	\$ 192,679	\$ 0	\$ 0
Total Resources Available	\$ 11,411,229	\$ 12,050,615	\$ 12,660,988
Obligations	(\$ 10,728,393)	(\$ 12,045,615)	(\$ 12,613,863)
Uncollected User Fees	(\$ 821)	\$ 0	\$ 0
Unobligated Balance, lapsing	(\$ 139,483)	\$ 0	(\$ 47,125) ¹⁰
Unobligated Balance, end-of-year	\$ 299,909	\$ 5,000 ¹⁰	\$ 0

¹ Totals may not add due to rounding.

Limitation on Administrative Expenses

² FY 2009 Total Base Appropriation includes \$1,378,700 transferred to OIG for the financial statement audit.

³ Includes SSI State Supplement user fees and non-attorney representative payee user fees collected pursuant to section 303 of P.L. 108-203.

⁴ Includes a total of \$504 million in funding for cost-effective program integrity initiatives (\$264 million base funding and \$240 million cap adjustment funding).

⁵ Includes a total of \$758 million in funding for cost-effective program integrity initiatives (\$273 million base funding and \$485 million cap adjustment funding).

⁶ Includes a total of \$796 million in funding for cost-effective program integrity initiatives (\$283 million base funding and \$513 million cap adjustment funding).

⁷ The American Recovery and Reinvestment Act of 2009 provided SSA with a total of \$1,090 million to help address the increasing disability and retirement workloads, replace SSA's current National Computer Center, and to administer the \$250 economic recovery payments to Social Security and Supplemental Security Income beneficiaries.

⁸ Medicare Improvements for Patients and Providers Act of 2008 provides, from the General Fund of the Treasury, \$24.8 million for SSA activities related to implementation of changes to the Low-Income Subsidy program.

⁹ FY 2011 Unobligated Balance, start-of-year reflects \$205 million in anticipated additional recoveries assumed available in FY 2011, but not reflected in unobligated balance, end-of-year FY 2010.

¹⁰ Reflects funding for economic recovery payments that we do not anticipate spending under current provisions of the Recovery Act.

BUDGET AUTHORITY AND OUTLAYS

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determines the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office (GAO) approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the American Recovery and Reinvestment Act (ARRA) and the Medicare Improvement Patients and Providers Act (MIPPA).

Table 3.6—Budget Authority and Outlays¹
(dollars in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
OASI and DI Trust Funds ²	\$ 5,222,963	\$ 5,735,200	\$ 6,188,203 ⁴
HI and SMI Trust Funds	\$ 1,876,000	\$ 2,106,000	\$ 2,227,860
SSA Advisory Board	\$ 2,000	\$ 2,300	\$ 2,300
SSI Administrative Expenses	\$ 3,206,537	\$ 3,442,000	\$ 3,775,000
SSI State Supplement User Fees	\$ 145,000	\$ 160,000	\$ 185,000
Non-Attorney Representative User Fees ³	\$ 1,000	\$ 1,000	\$ 500
MIPPA - LIS	\$ 24,800	N/A	N/A
ARRA	\$ 1,090,000	N/A	N/A
Total Budget Authority	\$ 11,568,300	\$ 11,446,500	\$ 12,378,863
OASI and DI Trust Funds ²	\$ 5,004,668	\$ 5,695,261	\$ 6,124,400
HI and SMI Trust Funds	\$ 1,804,835	\$ 2,091,734	\$ 2,204,784
SSI Administrative Expenses	\$ 3,236,498	\$ 3,420,958	\$ 3,734,616
SSI State Supplement User Fees	\$ 145,000	\$ 160,000	\$ 185,000
Non-Attorney Representative User Fees ³	\$ 179	\$ 167	\$ 167
MIPPA - LIS	\$ 6,824	\$ 17,976	N/A
ARRA - Workload Processing	\$ 128,909	\$ 371,092	\$ 0
ARRA - Economic Recovery Payment - Admin	\$ 36,580	\$ 6,295	\$ 0
ARRA - New NSC	\$ 0	\$ 11,330	\$ 30,000
Total LAE Outlays	\$10,363,493	\$ 11,774,812	\$ 12,278,967

¹ Totals may not add due to rounding.

² OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

³ The authority for the Non-Attorney Representative User Fees will expired March 2010. SSA plans to seek a 2-year extension of the authority through 2012.

⁴ Includes \$1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

ANALYSIS OF CHANGES

The FY 2011 request represents a \$932.5 million increase over the FY 2010 enacted appropriation. The majority of this increase is attributable to built-in increases including pay increases and the rising costs of personnel benefits, rent, and security. The increase in obligations is less than the increase in total budget authority requested due mostly to the use of higher prior-year unobligated balances to fund obligations in FY 2009.

Table 3.7—Summary of Changes from FY 2010 to FY 2011
(dollars in thousands)

	FY 2010 Enacted	FY 2011 Estimate	Changes
Total Appropriation	\$ 11,659,785	\$ 12,583,863	+ \$ 924,078
Base LAE	\$ 11,446,500	\$ 12,378,863	+ \$ 932,363
Obligations Funded From Prior Year Unobligated Balances ¹	\$ 213,285	\$ 205,000	- \$ 8,285
ARRA	\$372,888	\$ 77,125	- \$ 295,763
Workload Processing	\$ 352,888	\$ 0	- \$ 352,888
Economic Recovery Payment - Admin ²	\$ 10,000	\$ 47,125	+ \$ 37,125
New NSC	\$ 10,000	\$ 30,000	+ \$ 20,000
MIPPA - LIS	\$ 17,942	\$ 0	- \$ 17,942
Obligations	(\$ 12,045,615)	(\$ 12,613,863)	+ \$ 568,248
Unobligated Balance, end-of-year ³	\$ 5,000	\$ 0	- \$ 5,000

Base payroll expenses increase annually due to periodic step increases, career ladder promotions, increased health benefit costs, new employees hired under the Federal Employees Retirement System (FERS) and annual pay increases. The FY 2011 request includes the annualized effect of the January 2010 Federal pay increase of 2.0 percent and a 1.4 percent increase in January 2011. Built-in non-payroll increases include increases in the cost of rent, security, and guard services.

¹ FY 2011 Unobligated Balance reflects anticipated additional recoveries assumed available in FY 2011, but not reflected in unobligated balance, end-of-year FY 2010.

² FY 2011 amounts available reflects carryover and amounts not previously apportioned. Under the current provisions of the Recovery Act, SSA does not anticipate any further need to spend the remaining ERP funding.

³ FY 2011 Unobligated Balance, end-of-year reflects \$47,125,000 in Economic Recovery Payment funding that will lapse.

Table 3.8—Explanation of LAE Budget Changes from FY 2010 to FY 2011
(dollars in thousands)

	FY 2010 Base		Change from FY 2010 Base	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses	69,999	\$ 6,610,057		\$ 451,965
<ul style="list-style-type: none"> Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System 				+ \$ 85,197
<ul style="list-style-type: none"> Annualized effect of the January 2010 Federal pay increase of 2.0 percent 				+ \$ 30,762
<ul style="list-style-type: none"> 9-month effect of assumed 1.4 percent Federal pay increase effective January 2011 				+ \$ 63,949
<ul style="list-style-type: none"> Maintain workyears funded by ARRA and LIS 				+ \$ 272,057
Base Non-Payroll Costs				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$ 2,146,209		+ \$ 132,270
State Disability Determination Services		\$ 2,357,000		+ \$ 178,611
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence				+ \$ 108,611
Maintain workyears funded by ARRA				+ \$ 70,000
Subtotal, Built-In Increases				+ \$ 762,846
<u>PROGRAM INCREASES</u>				
Net increase in WYs to process increased workloads				
Includes workyears for additional claims, hearings, program integrity and ongoing operational costs of AFI.			410	+ \$ 34,034
Net Increase in State Disability Determination Services¹				+ \$ 165,389
To process additional workloads (+984 WYs)				

Table Continues on the Next Page

¹ Base funding included in base payroll and state costs.

Limitation on Administrative Expenses

	FY 2010 Base		Change from FY 2010 Base	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
Net Increase in base essential non-payroll costs Includes ongoing operational costs of AFI				+ \$ 5,158
ARRA – National Support Center Resources Non-personnel Costs		\$ 10,000		+ \$ 20,000
Subtotal, Program Increases			410	+ \$ 224,581
Total Increases			410	+ \$ 987,427
<u>PROGRAM DECREASES:</u>				
Base Funding for Information Technology (IT)² Decrease in base funding for IT, including desktop, voice and data communications, infrastructure, costs for major projects, and ongoing operational costs of AFI		\$ 646,064		- \$ 11,064
ARRA - Economic Recovery Payment		\$ 5,000		- \$ 5,000
ARRA – Workload Processing³		\$ 24,000		- \$ 352,888
Medicare Improvements for Patient and Providers Act (MIPPA)⁴				- \$ 17,942
Funding for the National Expansion of the Access to Financial Institutions (AFI) initiative		\$ 34,000		- \$ 24,000
Decrease in Obligations Funded from Prior-Year Unobligated Balances		\$ 213,285		- \$ 8,285
Total Decreases				- \$ 419,179
Total LAE Obligations, Net Change	69,999	\$12,045,615	410	+ \$568,248

The table on the next page displays estimated LAE obligations by object class in FY 2010 and FY 2011. In FY 2010, SSA expects to fund \$213,285,000 in obligations from prior-year unobligated balances. In addition, FY 2010 funding reflects appropriations through the American Recovery and Reinvestment Act and the Medicare Improvement Patients and Providers Act (Low-Income Subsidy).

The majority of SSA's request is for payment of its personnel costs, including benefits. The remainder of the request is for payments to the State DDSs, SSA's information technology infrastructure, rental payments to GSA, guard services, postage, and other non-personnel costs.

² Planned obligations for Information Technology also include obligations funded from prior-year unobligated balances in the amounts of \$202 million in FY 2010 and \$205 million in FY 2011.

³ \$24 million in base obligations represents ITS funds for Health Information Technology

⁴ Base funding included in base payroll.

BUDGETARY RESOURCES BY OBJECT

Table 3.9—Budgetary Resources by Object^{1,2}
 (dollars in thousands)

	FY 2010 Enacted	FY 2011 Estimate	Change
Personnel Compensation			
Permanent positions	\$4,854,355	\$4,947,611	+\$93,256
Positions other than permanent	\$99,150	\$112,153	+\$13,003
Other personnel compensation	\$292,607	\$270,347	-\$22,260
Special personal service payments	\$2,263	\$2,331	+\$68
Subtotal, personnel compensation	\$5,248,375	\$5,332,442	+\$84,067
Personnel Benefits	\$1,387,182	\$1,498,058	+\$110,876
Travel and transportation of persons	\$76,868	\$76,738	-\$130
Transportation of things	\$8,436	\$8,442	+\$6
Rent, communications, and utilities			
Rental payments to GSA	\$663,360	\$712,362	+\$49,002
Rental payments to others	\$2,043	\$2,043	\$0
Communications, utilities, misc.	\$409,266	\$417,775	+\$8,509
Printing and reproduction	\$46,410	\$45,985	-\$425
Other services (DDS, guards, etc.)	\$3,622,350	\$3,926,978	+\$304,629
Supplies and materials	\$55,322	\$55,363	+\$41
Equipment	\$374,213	\$362,230	-\$11,983
Land and structures	\$86,073	\$109,680	+\$23,607
Grants, subsidies and contributions	\$40,523	\$40,554	+\$31
Insurance claims and indemnities	\$25,193	\$25,212	+\$19
Interest and dividends	\$0	\$0	\$0
Total Obligations	\$12,045,615	\$12,613,863	+\$568,249
Resources not being obligated in the current year (carrying over or lapsing)	\$5,000	\$47,125	-\$42,125
Total Budgetary Resources	\$12,050,615	\$12,660,988	+\$610,374
Notes:			
Payments to State DDS (funded from other services and Communications, utilities, and misc.	\$2,287,000	\$2,631,000	+\$344,000
Automation Investment Fund (included on previous page – funded from carryover of unexpended prior year balances)	\$707	\$0	-\$707

¹ Totals may not add due to rounding.

² The budgetary resources include the base LAE appropriation and funding for work associated with ARRA and LIS.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes significant items included in the FY 2010 appropriations bill committee and conference reports.

Table 3.10—FY 2010 House Committee Report—Significant Items

Report on Work-Related CDRs and Other Workloads	Actions Taken or To Be Taken
The Committee requests that SSA provide a report by December 15, 2010 on its progress in eliminating delays in processing work-related CDRs and other workloads essential to the work-related CDR process, including work reports and work reviews.	SSA will submit a report to the Appropriations Committees within the timeframe requested.

Table 3.11—*Consolidated Appropriations Act, 2010*: Conference Report—Significant Items

Agency Operating Plans	Actions Taken or To Be Taken
The bill continues a provision requesting each department and related agency funded through this Act to submit an operating plan within 45 days of enactment of this Act that details at the program, project, and activity level any funding allocations for fiscal year 2010 that are different than those specified in this Act, the accompanying detailed table in the statement of the managers on the conference report accompanying this Act, or the fiscal year 2010 budget request.	SSA will submit a report to the Appropriations Committees within the timeframe requested.
Fraudulent Social Security Numbers	Actions Taken or To Be Taken
The bill contains a provision prohibiting funds in this Act to process claims for credit for quarters of coverage based on work performed under a Social Security number that was not the claimant's number if such use of the Social Security number has been found to be an offense prohibited under section 208 of the Social Security Act.	SSA will continue to comply with this provision.
Totalization Arrangement	Actions Taken or To Be Taken
The bill contains a provision precluding funds in this Act from being used by the Social Security Administration to administer benefit payments under a totalization arrangement that would be inconsistent with existing law.	SSA will continue to comply with this provision.

BACKGROUND

AUTHORIZING LEGISLATION

The LAE account is authorized by section 201(g) of the Social Security Act. The authorization language makes available for expenditure, out of any or all of the Trust Funds, such amounts as Congress deems appropriate for administering Title II, Title VIII, Title XVI, and Title XVIII of the Social Security Act for which SSA is responsible and Title XVIII of the Act for which the Secretary of Health and Human Services is responsible.

Table 3.12—Authorizing Legislation
(dollars in thousands)

	2010 Amount Authorized	2010 Enacted ¹	2011 Amount Authorized	2011 Estimate ²
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$ 11,446,500	Indefinite	\$ 12,378,863

¹ Pursuant to P.L. 111-117, the FY 2010 appropriation includes \$485 million in cap adjustment funding for program integrity work, up to \$160,000,000 collected from SSI State Supplement user fees, and up to \$1,000,000 collected from non-attorney payee.

² The FY 2011 request includes \$513 million in cap adjustment funding for program integrity work and \$185,000,000 for SSI State Supplement user fees and up to \$500,000 for non-attorney payee. Includes \$1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

APPROPRIATION HISTORY

The table below includes the amount requested, passed by the House and Senate, and ultimately appropriated for the LAE account, including any supplemental appropriations or other legislation providing appropriations as well as rescissions, for the last ten years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2005, non-attorney representative payee user fees. Appropriated amounts in FY 2001 through FY 2002 include additional funding for CDRs authorized by Section 303 of P.L. 104-121 and Section 10203 of P.L. 105-33. The FY 2010 appropriation and the FY 2011 estimate also include additional funding for CDRs and redeterminations.

Table 3.13—Appropriations History Table

Fiscal Year	Budget Estimate to Congress	House Passed	Senate Passed	Enacted Appropriation
2001	\$7,134,000,000 ¹	\$6,978,036,000	\$7,010,800,000	\$7,124,000,000
2002	\$7,574,000,000 ²	\$7,568,000,000	\$7,568,000,000	\$7,568,000,000 ³
Rescission ⁴				-\$5,915,000
Final				\$7,562,085,000
September 11 th Funding ⁵				\$7,500,000
2003	\$7,937,000,000 ⁶	\$7,936,000,000	\$7,936,000,000	\$7,936,000,000
Rescission ⁷				-\$50,862,500
Final				\$7,885,137,500
2004	\$8,530,000,000 ⁸	\$8,361,800,000	\$8,530,000,000	\$8,361,800,000
Rescission ⁹				-\$48,626,600
Final				\$8,313,173,400
Medicare Modernization Act ¹⁰				\$500,000,000
2005	\$8,878,000,000 ¹¹	\$8,798,100,000	\$8,622,818,000	\$8,801,896,000 ¹²
Rescission ¹³				-\$69,394,400
Final				\$8,732,501,600
2006	\$9,403,000,000 ¹⁴	\$9,279,700,000	\$9,329,400,000	\$9,199,400,000 ¹⁵
Rescission ¹⁶				-\$90,794,000
Final				\$9,108,606,000
Hurricane Katrina Funding ¹⁷				\$38,000,000
2007	\$9,496,000,000 ¹⁸	\$9,297,573,000 ¹⁹	\$9,297,573,000 ¹⁹	\$9,297,573,000
2008	\$9,596,953,000 ²⁰	\$9,969,953,000	\$9,871,953,000	\$9,917,842,000 ²¹
Rescission				-\$173,264,731
Final				\$9,744,577,269
Economic Stimulus Act ²²				\$31,000,000
2009	\$10,327,000,000 ²³	\$10,453,500,000	\$10,453,500,000	\$10,453,500,000 ²⁴
MIPPA – Low Income Subsidy ²⁵				\$24,800,000
ARRA ²⁶				\$1,090,000,000
2010	\$11,451,000,000 ²⁷	\$11,446,500,000	\$11,446,500,000	\$11,446,500,000 ²⁸
2011	\$12,378,863,280 ²⁹			

¹ Includes \$91,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes an additional \$450,000,000 to remain available until September 30, 2002, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

² Includes \$106,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

³ Includes \$100,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes, as requested, an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

⁴ A total of \$5,915,000 was rescinded by P.L. 107-206. \$3,400,000 was applied to base expenses; \$2,515,000 was applied to cap adjustment funding for continuing disability reviews.

⁵ The President requested and the Congress provided \$7,500,000 in emergency response funding to SSA for infrastructure and security costs related to the events of September 11, 2001 (P.L. 107-117).

⁶ For comparability purposes, amounts do not reflect the Administration's proposal to charge the full cost of accruing retirement benefits and annuitant health benefits to agency accounts. The FY 2003 Congressional Justification shows \$8,282,753,000, \$345,753,000 more than reflected on this table. The proposed legislation was not enacted. Total includes \$112,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.

⁷ A total of \$50,862,500 was rescinded by P.L. 108-7, Consolidated Appropriations Resolution, 2003.

⁸ Total includes \$120,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.

⁹ A total of \$48,626,600 was rescinded by P.L. 108-199, Consolidated Appropriations Bill.

¹⁰ A total of \$500,000,000 was provided to SSA for start-up costs for the implementation of the Medicare Modernization Act of 2003 (P.L. 108-173)

¹¹ Total includes up to \$121,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.

¹² Total includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹³ A total of \$69,394,400 was rescinded by P.L. 108-447, Consolidated Appropriations Bill.

¹⁴ Includes a total of \$601,000,000 in earmarked funding for continuing disability reviews in FY 2006. Total consists of \$412,000,000 in base funding and \$189,000,000 in additional funds. Includes up to \$131,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁵ Total includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁶ A total of \$90,794,000 was rescinded by P.L. 109-148, Department of Defense Appropriations Act, 2006.

¹⁷ A transfer from Department of Homeland Security for Hurricane Katrina-related costs (P.L. 109-234).

¹⁸ Includes a total of \$490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of \$289,000,000 in base funding and \$201,000,000 in additional funds. Includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁹ The amounts passed by the House and Senate reflect the amounts included in the Revised Continuing Appropriations Resolution of 2007 (P.L. 110-5).

²⁰ Includes a total of \$477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of \$264,000,000 in base funding and

Limitation on Administrative Expenses

\$213,000,000 in additional funds. Includes up to \$135,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²¹ Includes up to \$132,641,550 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²² Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.

²³ Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Total consists of \$264,000,000 in base funding and \$240,000,000 in additional funds. Includes up to \$145,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²⁴ Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Total consists of \$264,000,000 in base funding and \$240,000,000 in additional funds. After enactment of the FY 2009 appropriation, \$1,378,700 was transferred from LAE to OIG.

²⁵ From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides \$24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The Medicare Improvements for Patients and Providers Act total does not include \$24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children's Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA \$5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children's Health Insurance Program eligibility.

²⁶ The American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) provides SSA \$500,000,000 to process growing disability and retirement workloads, \$500,000,000 to replace the National Computer Center, and \$90,000,000 to administer the \$250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.

²⁷ Total includes \$758,000,000 in funding designated for SSI redetermination and continuing disability reviews. Total consists of \$273,000,000 in base funding and \$485,000,000 in additional funds. Includes up to \$165,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²⁸ Total includes \$758,000,000 in funding designated for SSI redetermination and continuing disability reviews. Total consists of \$273,000,000 in base funding and \$485,000,000 in additional funds. The enacted amount matches the President's request, after accounting for a technical adjustment resulting from CBO's scoring of user fees. Total includes up to \$160,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments, and \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²⁹ Total includes \$796,000,000 in funding designated for SSI redetermination and continuing disability reviews. Total consists of \$283,000,000 in base funding and \$513,000,000 in additional funds. Includes up to \$185,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes \$1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

ADDITIONAL BUDGET DETAIL

SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the size of the programs it administers—both in terms of the amount of work performed and the number of people needed to process it—and by its continuing efforts to improve service and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$704.3 billion in FY 2009; under current law, Federal benefit payment outlays are expected to increase to \$744.6 billion in FY 2010 and \$776.5 billion in FY 2011. At approximately 1.6 percent of total outlays, SSA's administrative expenses continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

Table 3.14—Federal Benefit Outlays¹
(dollars in billions)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
Old-Age and Survivors Insurance	\$ 544.6	\$ 573.6	\$ 594.2
Disability Insurance	\$ 115.0	\$ 123.6	\$ 129.7
Supplemental Security Income	\$ 44.8	\$ 47.4	\$ 52.6
Total Outlays	\$ 704.3	\$ 744.6	\$ 776.5

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 56.0 million in FY 2009 to 57.8 million in FY 2010 and 59.6 million in FY 2011.

Table 3.15—Beneficiaries¹
(average in payment status, in millions)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
Old-Age and Survivors Insurance	42.0	43.2	44.2
Disability Insurance	9.4	9.8	10.4
Supplemental Security Income ²	7.3	7.6	7.8
Concurrent Recipients ³	(2.6)	(2.7)	(2.8)
Total Beneficiaries	56.0	57.8	59.6

¹ Totals may not add due to rounding.

² Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.

³ Recipients receiving both DI and SSI benefits.

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and state workyears that the President's Budget for FY 2011 will support.

Table 3.16—SSA Supported Federal and State Workyears

	FY 2010¹	FY 2011
LAE Full-Time Equivalents (FTEs)	66,989	67,603
LAE Overtime/Lump Sum Leave	3,142	2,806
Total SSA Workyears (excludes OIG)	70,131	70,409
Total DDS Workyears	15,985	16,969
Total SSA/DDS Workyears (excludes OIG)	86,116	87,378

SOCIAL SECURITY ADVISORY BOARD

This budget includes \$2.3 million for the Social Security Advisory Board in FY 2011. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-member Advisory Board to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI. The Board is required by law to meet at least four times per year.

¹ Includes all WYs funded by MIPPA and CHIP.

SSA E-GOV CONTRIBUTIONS

SSA supports many E-Government initiatives. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and by providing services that might not otherwise be available. These initiatives are included in the agency's IT budget.

Table 3.17 – SSA e-Gov Contributions (in thousands)¹

	FY 2010	FY 2011
Disaster Assist Improvement Plan	\$ 176.1	\$ 182.5
E-Rulemaking	\$ 70.1	\$ 70.0
Financial Management LoB	\$ 44.4	\$ 44.4
Geospatial LoB	\$ 15.0	\$ 15.0
GovBenefits.gov	\$ 336.0	\$ 348.3
Grants.gov	\$ 49.9	\$ 49.9
Grants Management LoB	\$ 28.5	\$ 28.5
Human Resources Management LoB	\$ 130.4	\$ 130.4
IAE-Loans and Grants	\$ 13.0	TBD
Integrated Acquisition Environment (IAE)	\$ 37.2	\$ 39.1
Total	\$ 900.7	\$ 908.1

Social Security remains an active contributor to E-Government initiatives.

Disaster Assist Improvement Plan will provide a unified point of access to disaster management-related information, mitigation, response, and recovery information.

E-Rulemaking improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

Financial Management LoB reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations.

Geospatial LoB maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map-related data will allow SSA to improve mission delivery and increase service to citizens.

GovBenefits.gov helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering citizen-centric world-class service and strengthening public understanding of Social Security programs.

Grants.gov provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.

¹ Totals may not add due to rounding.

Limitation on Administrative Expenses

Grants Management LoB is developing solutions to standardize and streamline the grants management process government-wide. GM LoB is pursuing a consortia based approach to share operations and maintenance (O&M) costs, and development, modernization, and enhancement (DME) costs across agencies, decreasing the burden that any one grant-making agency must bear. Business processes as available through consortium lead agencies will decrease agency reliance on manual and paper-based grants processing.

Human Resources Management LoB provides common core functionality to support the strategic management of Human Capital government-wide.

Integrated Acquisition Environment and IAE-Loans and Grants creates a secure environment to facilitate the acquisition of goods and services.

Table 3.18 – Other SSA Expenses/Service Fees Related to e-Gov Projects (in thousands)¹

	FY 2010	FY 2011
Recruitment One-Stop	\$ 334.2	\$ 334.2
Enhanced Human Resource Integration	\$ 1,500.0	\$ 1,274.2
E-Payroll	\$ 14,127.1	\$ 14,127.1
E-Travel	\$ 1,316.1	\$ 1,270.2
Total	\$ 17,277.3	\$ 17,005.6

In addition to making annual contributions to the managing partners of certain e-Gov projects, SSA also funds various ongoing business services that are related to e-Gov projects. These funds are part of SSA's ongoing budget and pay for services provided by other agencies under authority of the Economy Act.

Recruitment One-Stop provides an online portal (www.usajobs.gov) through which citizens can easily search for employment opportunities throughout the Federal Government.

Enhanced Human Resource Integration initiative is developing policies and tools to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

E-Payroll standardizes and consolidates government wide Federal civilian payroll services and processes.

E-Travel is intended to provide a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

¹ Totals may not add due to rounding.

EMPLOYMENT

The following table provides a detailed view of the full-time equivalent employment levels.

Table 3.19—Detail of Full-Time Equivalent Employment

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
Limitation on Administrative Expenses Account ¹	63,187	66,689	67,303
Reimbursable Work	287	300	300
SSA Proper (excludes DDS and OIG)	63,474	66,989	67,603

The following table lists the Average Grade and Salary for SSA employees from FY 2009 through FY 2011. It includes averages for Executive Service (ES) and General Service (GS) employees.

Table 3.20—Average Grade and Salary

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate	<i>Change</i>
Average ES Salary	\$ 161,900	\$ 164,200	\$ 166,600	+ \$ 2,400
Average GS Grade	10	10	10	0
Average GS Salary	\$ 64,700	\$ 65,600	\$ 66,300	+ \$ 700

¹ Includes all FTEs funded by MIPPA and CHIP.